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## OIL AND GAS LEASE

(PAID-UP)

AGREEMENT, Made and entered into this 11th day of May, 2010, by and between Gary P. Cocanour and Joanne E. Cocanour, husband and wife, Joint Tenants With Rights of Survivorship whose address is, 203 Foreman Drive, Euless, TX 76039, party of the first part, hereinafter called lessor (whether one or more), and Cocanour Mineral Co., LLC, An Oklahoma Limited Liability Company, whose address is 2604 North 10<sup>th</sup> Street, Broken Arrow, OK 74012, party of the second part, hereinafter called lessee.

WITNESSETH, That the said lessor, for and in consideration of \$10.00 and other good and valuable considerations, cash in hand paid, receipt of which is hereby acknowledged and of the covenants and agreements hereinafter contained on the part of lessee to be paid, kept and performed, has granted, demised, leased and let and by these presents does **exclusively** grant, demise, lease and let unto the said lessee, for the sole and only purpose of exploring by geophysical and other methods, mining and operating for oil (including but not limited to distillate and condensate), gas (including but not limited to coal seam gas, coal bed methane gas, casing-head gas and helium and all other constituents, ), and for laying pipe lines, and building tanks, power stations and structures thereon, to produce, save and take care of said products, all that certain tract of land, together with any reversionary rights therein situated in the County of Tarrant, State of Texas, described as follows, to-wit:

Lot 14 Block I,  
Bears Creek Bend III, Phase A, an addition to the City of Euless, Texas

containing 134380 acres, more or less. It being the purpose and intent of lessor to lease, and lessor does hereby lease, all of the lands and or interests in lands owned by lessor which adjoin the lands above described or which lie in the section or sections herein specified, regardless whether said lands are accurately and or completely herein described or not. All of the foregoing lands are hereinafter collectively referred to as (the "leased premises"). This lease shall cover all the interest in said land now owned by or hereafter vested in Lessor.

It is agreed that this lease shall remain in force for a term of **three (3)** years from date (herein called primary term) and as long thereafter as oil or gas, or either of them, is produced from said the leased premises.

In consideration of the premises the said lessee covenants and agrees:

1<sup>st</sup> To deliver to the credit of lessor free of cost, in the pipe line to which it may connect its well(s), the 1/4th part of all oil (including but not limited to condensate and distillate) produced and saved from the leased premises.

2<sup>nd</sup> To pay lessor for gas of whatsoever nature or kind (with all of its constituents), including but not limited to casinghead gas, coal seam gas, coal bed methane gas, helium and all other gaseous and or vaporous substances produced and sold or used off the leased premises, or used in the manufacture of products therefrom, 1/4th of the gross proceeds received for the gas sold, used off the premises or in the manufacture of products therefrom, but in no event more than 1/4th of the actual amount received by the lessee, said payments to be made monthly. During any period (whether before or after expiration of the primary term hereof) when gas is not being so sold or used and the well or wells are shut in and there is no current production of oil or operations on said leased premises sufficient to keep this lease in force, lessee shall pay or tender a royalty of One Hundred Dollar (\$100.00) per year per net royalty acre retained hereunder, such payment or tender to be made, on or before the anniversary date of this lease next ensuing after the expiration of ninety (90) days from the date such well is shut in and thereafter on the anniversary date of this lease during the period such well is shut in, to the royalty owners. When such payment or tender is made it will be considered that gas is being produced within the meaning of the entire lease.

3<sup>rd</sup> To pay lessor for gas produced from any oil well and used off the premises, or for the manufacture of casing-head gasoline or dry commercial gas, 1/4th of the gross proceeds, at the mouth of the well, received by lessee for the gas during the time such gas shall be used, said payments to be made monthly.

If the lessee shall commence to drill a well or commence reworking operations on an existing well within the term of this lease or any extension thereof, or on acreage pooled therewith, the lessee shall have the right to drill such well to completion or complete reworking operations with reasonable diligence and dispatch, and if oil or gas, or either of them, be found in paying quantities, this lease shall continue and be in force with like effect as if such well had been completed within the term of years first mentioned.

Lessee is hereby granted the right at any time and from time to time to unitize the leased premises or any portion or portions thereof, as to all strata or any stratum or strata, with any other lands as to all strata or any stratum or strata, for the production primarily of oil or primarily of gas with or without distillate. However, no unit for the production primarily of oil shall embrace more than 40 acres, or for the production primarily of gas with or without distillate more than 640 acres, provided that if any governmental regulation shall prescribe a spacing pattern for the development of the field or allocate a producing allowable based on acreage per well, then any such unit may embrace as much additional acreage as may be so prescribed or as may be used in such allocation of allowable. Lessee shall file written unit designations in the county in which the leased premises are located. Operations upon and production from the unit shall be treated as if such operations were upon or such production was from the leased premises whether or not the well or wells are located thereon. The entire acreage within a unit shall be treated for all purposes as if it were covered by and included in this lease except that the royalty on production from the unit shall be as below provided, and except that in calculating the amount of any shut in gas royalties, only the part of the acreage originally leased and then actually embraced by this lease shall be counted. In respect to production from the unit, Lessee shall pay Lessor, in lieu of other royalties thereon, only such proportion of the royalties stipulated herein as the amount of his acreage placed in the unit, or his royalty interest therein on an acreage basis bears to the total acreage in the unit.

If said lessor owns a less interest in the above described land than the entire and undivided fee simple estate therein, then the royalties herein provided shall be paid to the lessor only in the proportion which his interest bears to the whole and undivided fee.

Lessee shall have the right to use, free of cost, gas, oil and water produced on said land for its operations thereon, except water from wells of lessor.

When requested by the lessor, lessee shall bury his pipelines below plow depth.

No well shall be drilled nearer than 200 feet to the house or barn now on said premises, without the written consent of the lessor.

Lessee shall pay for all damages caused by its operations to growing crops on said land.

Lessee shall have the right at any time to remove all machinery and fixtures placed on said premises, including the right to draw and remove casing.

If the estate of either party hereto is assigned, and the privilege of assigning in whole or in part is expressly allowed, the covenants hereof shall extend to their heirs, executors, administrators, successors or assigns. However, no change or division in ownership of the land or royalties shall enlarge the obligations or diminish the rights of Lessee. No change in the ownership of the land or royalties shall be binding on the lessee until after the lessee has been furnished with a written transfer or assignment or a true copy thereof. In case lessee assigns this lease, in whole or in part, lessee shall be relieved of all obligations with respect to the assigned portion or portions arising subsequent to the date of assignment.

If prior to the discovery of oil or gas on the leased premises Lessee should drill a dry hole or holes thereon, or if after discovery of oil or gas the production thereof should cease from any cause, this lease shall not terminate if Lessee commences additional operations as provided herein within one hundred twenty (120) days thereafter, or, if it be within the primary term, then not until the expiration thereof. If at, or after, the expiration of the primary term oil or gas is not being produced on the leased premises, but Lessee is then engaged in operations thereon as provided herein, this Lease shall remain in force so long as operations are prosecuted (whether on the same or successive wells) with no cessation of more than one hundred twenty (120) days, and, if production results therefrom, then as long as production is maintained pursuant to the terms hereof.

All express or implied covenants of this lease shall be subject to all Federal and State Laws, Executive Orders, Rules and Regulations, and this lease shall not be terminated, in whole or in part, nor lessee held liable in damages, for failure to comply therewith, if compliance is prevented by, or such failure is the result of any such Law, Order, Rule or Regulation.

This lease shall be effective as to each lessor on execution hereof as to his or her interest and shall be binding on those signing, notwithstanding some of the lessors above named may not join in the execution hereof. The word "Lessor" as used in this lease means the party or parties who execute this lease as Lessor, although not named above.

Lessee may at any time and from time to time surrender this lease as to any part or parts of the leased premises by delivering or mailing a release thereof to lessor, or by placing a release of record in the proper County.

Lessor hereby warrants and agrees to defend the title to the lands herein described, and agrees that the lessee shall have the right at any time to redeem for lessor by payment any mortgages, taxes or other liens on the above described lands, in the event of default of payment by lessor, and be subrogated to the rights of the holder thereof.

If at any time within the primary term (including any extension or renewal) of this lease, and while the same remains in force and effect, Lessor receives any bona fide offer acceptable to Lessor to grant an additional lease (Top Lease) covering all or any portion of the afore-described leased premises, Lessee shall have the continuing option by meeting any such offer to acquire such Top Lease. Any offer must be in writing, and must set forth the proposed Lessee's name, bonus consideration and royalty consideration to be paid for such lease and include a copy of the lease form to be utilized, which form should reflect all pertinent and relevant terms and conditions of the Top Lease. Lessee shall have 15 days after receipt from Lessor of a complete copy of such offer to advise Lessor in writing of its election to enter into an oil and gas lease with Lessor on equivalent terms and conditions. If Lessee fails to notify Lessor within the aforesaid 15-day period of its election to meet any such bona fide offer, Lessor shall have the right to accept said offer.

IN TESTIMONY WHEREOF, we sign this the 18<sup>th</sup> day of May, 2010.

Lessor

By:

Gary P. Cocanour

By:

Joanne E. Cocanour

STATE OF TEXAS }  
COUNTY OF TARRANT }

# INDIVIDUAL ACKNOWLEDGEMENT

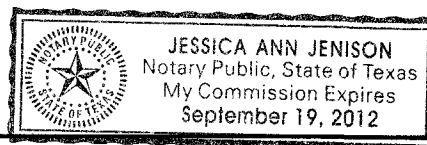
Before me, the undersigned, a Notary Public, in and for said County and State, on this 18 day of May, 2010, personally appeared, **Gary P. Cocanour and Joanne E. Cocanour, husband and wife, Joint Tenants With Rights of Survivorship** known to be the identical person who executed the within and foregoing instrument, and acknowledged that they executed the same as their free and voluntary act and deed, for the uses and purposes and consideration therein set forth.

IN WITNESS WHEREOF, I have hereunto set my official signature and affixed my official seal the day and year last above written.

My Commission Expires: September 19, 2012

My Commission Number: N/A

Jessica Ann Jenison  
NOTARY PUBLIC



After Recording, Please return to:

Cocanour Mineral Co., LLC  
2604 N. 10<sup>th</sup> Street  
Broken Arrow, Oklahoma 74012  
918-894-8251 (office)  
This lease prepared by Mr. Daniel Cocanour.

Exhibit "A"

This Exhibit "A" is attached to and made a part of that certain Oil and Gas Lease dated May 11<sup>th</sup>, 2010, by and between Gary P. Cocanour and Joanne E. Cocanour, husband and wife, Joint Tenants With Rights of Survivorship as Lessor, and Cocanour Mineral Co., LLC, an Oklahoma Limited Liability Company as Lessee.

Lot 14 Block I,  
Bears Creek Bend III, Phase A, an addition to the City of Euless, Texas  
Tarrant County

Any conflict that may arise between the lease and this Exhibit "A", then this Exhibit "A" shall be final in the resolution of the said conflict.

DEPTH CLAUSE: Upon the expiration of the primary term (including any extension or renewal) hereof, this lease shall automatically terminate and expire as to all rights beneath one hundred feet (100') below the base of the stratigraphic equivalent of the deepest formation penetrated in any well drilled on the afore-described lease premises or lands pooled or unitized therewith.

PUGH CLAUSE: Notwithstanding anything to the contrary in this lease, all portions of this lease not included in a unit created by the Texas Railroad Commission and or created by Lessee filing a voluntary unit designation according to the provisions contained in the printed lease to which this Exhibit is attached and not producing or upon which drilling operations have not commenced, shall be released at the expiration of the primary term of this lease. Should the unit be changed after the expiration of the primary term, all portions of this lease not included in a newly designated unit will be released.

SHUT-IN ROYALTY CLAUSE: After the end of the primary term, this lease may not be maintained in force solely by reason of the shut-in royalty payments, as provided heretofore, for any one shut-in period of more than three (3) years, or, from time to time, for shorter periods which exceed three (3) cumulative years.

Lessor:

  
Gary P. Cocanour

  
Joanne E. Cocanour

SUZANNE HENDERSON

COUNTY CLERK



100 West Weatherford Fort Worth, TX 76196-0401

PHONE (817) 884-1195

COCANOUR MINERAL CO LLC  
2604 N 10TH STREET  
BROKEN ARROW, OK 74012

Submitter: COCANOUR MINERAL CO LLC

**DO NOT DESTROY**  
**WARNING - THIS IS PART OF THE OFFICIAL RECORD.**

Filed For Registration: 6/18/2010 9:52 AM

Instrument #: D210146981

LSE

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PGS

\$24.00

By: \_\_\_\_\_

*Suzanne Henderson*

D210146981

ANY PROVISION WHICH RESTRICTS THE SALE, RENTAL OR USE OF THE DESCRIBED REAL PROPERTY  
BECAUSE OF COLOR OR RACE IS INVALID AND UNENFORCEABLE UNDER FEDERAL LAW.

Prepared by: DBWARD